

STATE OF TENNESSEE

Office of the Attorney General



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Reply to:
Consumer Advocate and Protection Division
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REGULATORY AUTH.
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OFFICE OF THE
EXECUTIVE SECRETARY

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April 15, 2002

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

RE: IN RE: UNITED CITIES GAS COMPANY, a Division of ATMOS ENERGY
CORPORATION INCENTIVE PLAN ACCOUNT (IPA) AUDIT
Docket No.: 01-00704

Dear Mr. Waddell:

Enclosed is an original and thirteen copies of a Petition to Intervene for filing with the Tennessee Regulatory Authority in the above-referenced matter. Please be advised that we have served copies on all parties of record. If you have any questions, kindly contact me at (615) 532-3382. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Shilina B. Chatterjee".

Shilina B. Chatterjee
Assistant Attorney General

Enclosures

54326

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	DOCKET NO. 01-00704
)	
UNITED CITIES GAS COMPANY, a)	
Division of ATMOS ENERGY)	
CORPORATION INCENTIVE PLAN)	
ACCOUNT (IPA) AUDIT)	

PETITION TO INTERVENE

Comes Paul G. Summers, the Attorney General & Reporter, through the Consumer Advocate and Protection Division of the Office of Attorney General (hereinafter "Attorney General"), pursuant to Tenn. Code Ann. § 65-4-118(c)(2)(A), and petitions to intervene in this docket on behalf of the public interest because consumers may be affected by United Cities Gas Company Incentive Plan Account ("IPA") for the year ended March 31, 2001. For cause, the Petitioner would show as follows:

I.

1. The Consumer Advocate Division of the Office of the Attorney General is authorized by Tenn. Code Ann. § 65-4-118 (c)(2)(A) to initiate a contested case, and participate or intervene in proceedings to represent the interests of Tennessee consumers in accordance with the Uniform Administrative Procedures Act (UAPA).

2. UCG is a company regulated by the Tennessee Regulatory Authority ("TRA"). UCG sells natural gas to consumers in the State of Tennessee.

3. The present docket, Docket No. 01-00704, involves an Incentive Plan Account

audit for the year ending March 31, 2001.

4. The Consumer Advocate and Protection Division ("CAPD") has previously intervened in a case pending before the TRA involving the approval of an Incentive Plan in docket 97-01364. This docket was decided in two phases and allowed UCG to continue operating under a modified Incentive Plan that would roll over for each additional plan year on April 1st, beginning April 1, 1999. This docket is a result of an audit of the second year of the permanent plan period of April 1, 2000 to March 31, 2001.

5. In accordance with the filing by the Energy and Water Division of the TRA that was issued on April 10, 2002, we support the findings that (1) UCG should revise its calculations for the current plan year to eliminate the alleged savings generated from negotiated transportation contracts and the alleged savings generated from the NORA calculation of avoided transportation costs (correct amount should be \$592,013.00); (2) UCG's method for calculation interest should be revised to conform with the tariff (under-recovery of \$11,271); and (3) UCG customer surcharge should be terminated; and (4) UCG should comply with the PGA Rule (Reserve Margin should be 7.5% or less).

6. The CAPD supports the finding by the TRA staff's audit that there is a resulting net over recovery of \$580,742 by UCG in the calculation concerning the surcharge of customers.

7. It is anticipated that the present case will involve issues related to or affecting matters in the TRA 97-01364, in which the CAPD has intervened. Accordingly, intervention by the CAPD is necessary in the present case in order to assure that issues in both dockets are properly and consistently addressed.

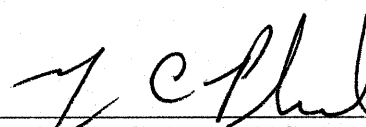
8. Only by intervening and participating in this proceeding can the CAPD work to protect the public interest.

Wherefore the Petitioner prays the Authority to grant its Petition to Intervene.

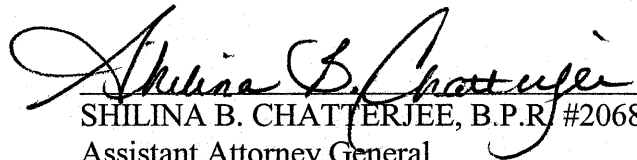
RESPECTFULLY SUBMITTED,



PAUL G. SUMMERS, B.P.R. #6285
Attorney General and Reporter



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P.O. Box 20207
Nashville, Tennessee 37202
(615) 532-3382

Dated: April 15, 2002

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via hand delivery or facsimile on April 15, 2002.

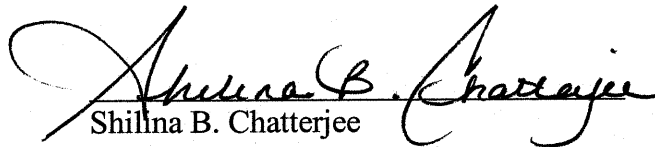
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